

SILVERMANACAMPORA LLP

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

305 EAST 61ST STREET GROUP LLC,

Chapter 11
Case No.: 19-11911(SHL)

Debtor.
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**TRUSTEE'S STATEMENT RELATING TO MOTION FOR ENTRY OF
A FINAL ORDER (1) AUTHORIZING THE TRUSTEE TO OBTAIN
POST-PETITION FINANCING FROM LAZARUS 5, LLC ON, *INTER ALIA*,
A SENIOR, FIRST PRIORITY SECURED AND SUPERPRIORITY
ADMINISTRATIVE BASIS AND (2) GRANTING RELATED RELIEF**

Kenneth P. Silverman, Esq., the chapter 11 operating trustee (the "**Trustee**") of 305 East 61st Street Group, LLC (the "**Debtor**" or "**Borrower**"), by and through his attorneys, SilvermanAcampora LLP, respectfully submits this statement relating to the motion seeking the entry of a final order approving the terms and conditions under which the Borrower may obtain post-petition financing and related relief filed on December 4, 2019 (the "**Motion**"; found at **ECF # 91**), and states as follows:

1. The Trustee has been engaged in discussions with multiple parties in interest in this case and wishes to inform the Court of the Trustee's progress.

2. The Trustee has received an alternative proposal to the refinancing option presented in the Motion (the "**Refinancing**") from the secured lender and existing mortgagee, 305 East 61st Lender LLC (the "**Existing Lender**"). Specifically, the Existing Lender has presented the Trustee and the estate with the ability to enter into a modification of the existing loan (the "**Modification**").

3. For instance, the Modification proposes to modify the current interest rate of 24%, to 6.0%, as compared to the Refinancing, which fixes the rate at 8.34%. A comparison of the per diem interest rate is reflected below:

	Refinancing	Modification
Interest Rate	8.34%	6.00%
Per Diem Rate	\$11,000.00	\$7,700.00
Term	7 months	7 months (or longer if necessary)

4. The Modification also includes a firm offer by the Existing Lender to acquire the Debtor's property through a "stalking horse" bid in conjunction with the Trustee's sales process.

5. Additionally, the Trustee is attempting to resolve discovery requests and issues relating to the Motion.

6. Finally, the Trustee reserves all rights as set forth in the Motion.

Dated: Jericho, New York
December 12, 2019

SILVERMANACAMPORA LLP
Attorneys for the Chapter 11 Trustee

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